



State of Arizona Accounting Manual

Topic 90 Special Topics Issued 11/04/19
Section 60 **Individuals Not Authorized to Acquire Goods or Services from State Contracts for Personal Use** Page 1 of 3

INTRODUCTION

The State and its agencies have entered into and continue to enter into innumerable contracts with suppliers of goods and services. The negotiation of these contracts— involving requests for proposal, evaluation committees, etc.—consumes a considerable amount of State resources. The resulting contract provisions frequently involve reduced pricing, enhanced warranties or other special terms and conditions intended to be only available to the State and its agencies.

A.R.S. § 38-504.C. stipulates that “[a] public officer or employee shall not use or attempt to use the officer’s or employee’s official position to secure any valuable thing or valuable benefit for the officer or employee that would not ordinarily accrue to the officer or employee in the performance of the officer’s or employee’s duties...”

Personally benefitting from the favorable terms and conditions a State contract might constitute a violation of A.R.S. § 38-504.C.

State contracts also might contain obligations that only the State or its agencies can fulfill. Failure of a purchaser from such a contract to fulfill these obligations might result in the State’s being found to have breached the contract, which, in turn, might result in a termination of the contract or other damages assessed against the State. This is a state of affairs that cannot be countenanced.

There are some contracts and other arrangements that have been negotiated by the State, however, from which an employee may acquire goods or services. These would include any contracts involving recognized State benefits, such as health care and retirement. It also involves certain understandings between service providers and the State the benefits of which State employees are allowed or even encouraged to avail themselves, such as discounted airport parking.

POLICIES

1. Subject to the exceptions contained herein, State employees are not to purchase goods or services for personal use from State contracts.
2. The following goods or services are intended to and may be purchased for personal use from State-contracted providers:
 - 2.1. Health care services, insurance, and retirement benefits.

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- 2.2. Goods or services officially provided to State employees by any State-sponsored program, such as wellness and dietary programs.
- 2.3. State-sponsored educational discounts.
- 2.4. Legal, psychiatric and other consultative and counseling services offered under the State's Employee Assistance Plan.
- 2.5. Any other goods or services that may be from time-to-time offered by the Benefit Services Division of the Arizona Department of Administration or other unit of State Government.
3. The following goods or services may be purchased for personal use from providers not under contract with the State, but that offer special pricing or other considerations to all State employees:
 - 3.1. Airport parking that is offered at a discount to State employees.
 - 3.2. Memberships in health clubs, gyms, auto clubs, etc. offered at a discount to State employees.
 - 3.3. Discounts at dining establishments that are offered to State employees.
 - 3.4. Any other discount that may be offered to all State or government employees.
4. Nothing prevents an employee from asking for a discount or other special consideration available under a State contract with respect to a good or service for his personal use, however:
 - 4.1. This must be done in such a way that it is clear to the provider that whatever is offered is not offered under a State contract, but merely under terms similar to those available under the relevant State contract.
 - 4.2. The employee must not offer or promise the provider any special consideration that relates to his employment by the State for the provider's offering him a discount or other consideration.
 - 4.3. An employee must not request any discount or special consideration from a provider with respect to whom the employee has any State procurement, contract management, or payment role.
5. An employee may take advantage of a discount for goods or services offered by the State or a State agency to certain classes or categories of employees as long as the discount is available to all members of the class or category who meet applicable requirements. Such discounts include, but might not be limited to:
 - 5.1. Discounted tuition to employees who work for the State Universities.

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- 5.2. Side arms used by an individual retiring from certain uniformed services, sold to that individual at discount, as authorized by statute.